

Update

HIPAA Transactions and Code Sets (Why becoming an educated customer is so important.)

With the October 16, 2003 compliance deadline for claims transactions quickly approaching, one may well imagine that the industry is close to the finish line. This is far from reality and many payers are now aggressively reaching out to the provider community to help them understand the impact of HIPAA to their organizations and see what steps they can take now to troubleshoot problems to avoid interruptions to their business operations. A very large disparity exists between the members of the provider community who have not yet begun testing with payers, and a very small number of provider organizations who have completed a comprehensive gap analysis and remediation plan and have tested with the payers. These latter organizations have made Transactions and Code Sets (TCS) a priority, and have committed significant resources to ensure a successful implementation.

Most payers have been planning for HIPAA for several years, upgrading their systems and installing an infrastructure to capture and process new data and formats. MassHealth is committed to assisting providers make this challenging transition, and has dedicated significant resources to support the effort. The provider community has encountered several challenges on the road to HIPAA compliance. Many provider organizations initially committed their HIPAA resources to ensuring compliance with Privacy requirements that took effect in April 2003. In addition, providers are waiting for their software vendor or clearinghouse to provide them with a HIPAA-compliant solution. It has become clear, with only a few months to the deadline, that

providers need to become proactive in this process, and take steps now to avoid interruption to their business operations in October. While vendors can provide an upgraded HIPAA software product to their clients, this does not automatically make a provider compliant. Providers must ensure they are capturing and reporting new data elements, and that the infrastructure within the organization is adjusted to manage the challenges of a new environment. Additionally, several vendors do not plan to continue supporting their clients and will channel all claims via a clearinghouse. Also, despite the many benefits to their clients, some vendors do not plan to offer coordination of benefits (COB) as part of the 837 transaction, or the void and replacement functions. These aspects of the 837 transaction are key in dramatically reducing the number of paper claims you will have to submit to MassHealth and other payers. If your vendor tells you they will not be part of your package, you may want to consider another option. Also note that some software is being marketed as HIPAA-complaint without having been tested or certified with any payers in Massachusetts.

In order for our providers to know the status of vendors supporting MassHealth claims, we will soon be posting information to our provider Web site at www.mahealthweb.com. This information will include whether a vendor is scheduled to begin testing with MassHealth, is currently in testing, or has been approved for production.

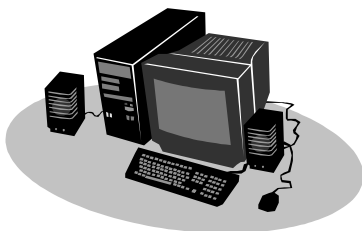
(Continued on page 2)

HIPAA Transactions and Code Sets *(cont.)*



Transition to HIPAA has been an important focus for discussion.

Become educated about HIPAA by: accessing helpful Web sites and payer newsletters, and by participating in payer and provider association forums.



Visit the MassHealth provider Web site at: www.mahealthweb.com often for more HIPAA information.

We will also indicate whether or not each vendor will be supporting the COB and void/replace transactions. When assessing your vendors' readiness and the transactions they will support, we recommend choosing an option that will best provide you with a complete electronic solution.

To help providers prepare for HIPAA, MassHealth, other payers, professional provider associations, and the Massachusetts Health Data Consortium formed the HIPAA Education and Coordinating Committee (HECC). The primary objective is to educate providers about HIPAA, its impact on business operations, and how to troubleshoot problems before they occur. The group conducted over 25 educational programs during 2002. In addition, MassHealth hosted a series of educational programs in June and July to help providers improve efficiencies in their organizations and make the transition to HIPAA.

MassHealth will continue reaching out to our submitters in the coming months. Additionally, to help providers become educated consumers, we suggest they take the following actions:

- Become educated about HIPAA by: accessing helpful Web sites and payer newsletters, and by participating in payer and provider association forums.
- Establish a contact in each payer organization and become educated

about each payer's implementation timelines and testing rules.

- Become educated about the questions to ask your software vendor and clearinghouse.

Some specific questions to ask your software vendor or clearinghouse:

- What transactions and versions will you support for HIPAA, and when will I be able to use them?
- When can I begin testing with payers?
- Has your software been certified by a third-party certification vendor and by the payers?
- How will I receive my HIPAA compliant software?
- Will my system require hardware as well as software upgrades?
- Cost and support-what is included, what is not?
- Will I need to establish relationships with new software vendors or clearinghouses to support this transaction?
- Will you support coordination of benefits (COB)?
- Will you support void and replace transactions?
- Will my software have the ability to receive and integrate an 835?

Business Process Improvements

Rebiling Denied Claims

In June 2003, MassHealth was proud to introduce a business process improvement to simplify the rebilling of previously denied claims.

Providers no longer need to enter a check in the Resubmittal block or the former transaction control number (TCN) when resubmitting a denied claim when both of the following conditions apply:

1. the original claim was submitted within the initial 90-day billing deadline and subsequently appeared as "Denied" on a remittance advice (RA); and
2. the member identification number (also known as RID), pay-to-provider number, revenue code, service code, claim type, or service date is not changing.

This procedure applies to both paper and electronic submissions.

Exceptions to this process: If you are changing the service date, revenue code, or service code, you must check the Resubmittal block and reference the TCN of the denied claim.

Providers must still reference the previously paid TCN and check the adjustment box when requesting an adjustment to a paid claim.

For additional information, please refer to All Provider Bulletin 123 (May 2003).

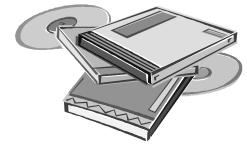
Electronic Remittance Advices

Beginning August 15, 2003, MassHealth will replace the round reel media currently used to issue electronic remittance advices (RAs) to providers with diskette, bulletin board system (BBS), CD-ROM, or DVD. The format of the file will not change. Please note this electronic remittance data is not the HIPAA-compliant 835 Payment and Remittance Transaction, it is our proprietary format. Those providers who currently receive electronic RAs will be contacted to select one of the alternatives listed above so that all affected submitters are transitioned to the new media no later than September 1, 2003. If you have questions about this, please call 617-576-4436.

New Claims Submission Software

MassHealth is pleased to announce that we anticipate launching Provider Claims Submission Software (PCSS) in early fall. The software will offer a HIPAA-compliant claims submission option to MassHealth providers with a small-to-moderate claim volume and is free of charge. The software will support direct data entry as well as import capabilities from a national standard format. Please watch for more information about this MassHealth specific solution in the coming weeks.

(Continued on page 4)



Electronic remittance advices will soon be available via diskette, bulletin board system (BBS), CD-ROM, or DVD.

In June 2003, MassHealth was proud to introduce a business process improvement to simplify the rebilling of previously denied claims.



Three remittance advices have been combined into one report.

Business Process Improvements

(cont.)

Service Codes on the Web

For your convenience, service code information (Subchapter 6 of the MassHealth provider manuals) is now available for printing and downloading on the Division's Web site at: www.mass.gov/dma under "DMA Publications."

Combined Remittance Advices

All Provider Bulletin 122 (May 2003) announced that beginning with the first pay cycle in June 2003, all claims for MassHealth, Massachusetts Commission for the Blind, and CommonHealth members are now combined on one remittance advice (RA). Previously, providers received up to three separate RAs, when applicable. If you did not receive this bulletin, you can download it from the Division's Web site at: www.mass.gov/dma under "DMA Publications." If you have any questions about this change, please call MassHealth Provider Services at 617-628-4141 or 1-800-325-5231.

MassHealth on the Road

In June and July, the Division of Medical Assistance (Division) and Unisys hosted a series of provider educational sessions throughout the state to assist providers in preparing for HIPAA and to discuss best business practices relating to claims submission and eligibility verification. The goal of these sessions was to provide a one-stop shop for our providers, where they could attend informative workshops and have an opportunity to meet with Division staff and all the contractors and vendors who support MassHealth. The feedback from these meetings has been very positive. To download copies of training materials used at these educational sessions, please visit our Web site at: www.mahealthweb.com.

MassHealth Reminders

Flu Vaccines

MassHealth will reimburse providers for supplying the influenza vaccine to MassHealth members who are at high risk if the vaccine is not available through the Department of Public Health for the 2003-2004 flu season. Providers are urged to order their influenza vaccines as soon as possible in order to secure the best purchase price from the manufacturer. For more information about the influenza vaccine, please visit the Department of Public Health's influenza Web site at: <http://www.state.ma.us/dph/cdc/epii/flu/fluprov.htm>.

UB-92 Claim Form

Providers are reminded that when submitting paper claims to MassHealth on the UB-92 claim form, only your seven-digit MassHealth provider number should be entered in Item 51. If there is another insurer's provider number in this field, you must remove it or cross it out before entering your MassHealth provider number.

Dispensing Eyeglasses

When billing for two complete pairs of eyeglasses that have been dispensed (instead of dispensing bifocals), providers should enter Service Code 92340 in Item 28 and "2" in Item 31. For additional information, please refer to Transmittal Letter VIS-32 (December 2002) or contact MassHealth Provider Services at 617-628-4141 or 1-800-325-5231.

837 Institutional Claim Transaction

MassHealth is currently preparing to launch its final claim transaction. The 837 Institutional transaction is scheduled for release in September 2003. Institutional providers can prepare for testing with MassHealth by reviewing the 837I Implementation Guide, and downloading a copy of the draft companion guide from our Web site at www.mahealthweb.com. Additional information will be available soon.